



Toolbox Talk: The True Cost of an Accident

Introduction/Overview:

When we think of the cost of an accident, we may not think about the accident's true cost. Accident losses can be measured in personal and financial terms. Both the individual and the agency are negatively impacted by accidents occurring at home or work.

This Toolbox Talk will address the personal and financial losses experienced by both the individual and the agency.

Statistics:

According to Injury Facts from the National Safety Council, annually, in 2018 dollars, the total cost of unintentional injuries was approximately [1,060 billion dollars](#). This astronomical price tag includes both home and work injuries. Work-related injuries accounted for [170.8 billion dollars](#) in incurred cost, and home injuries accounted for [320.1 billion dollars](#) in incurred cost.

Talking Points:

Personal losses caused by accidents:

Time away from family and friends

Missed favorite activities

Missed personal activities such as volunteer work

Loss of full income

Pain and suffering

Potential narcotic addiction and other possible adverse medication side effects

Time spent on and in health treatment facilities.

Financial losses to the agency caused by work-related accidents:

Direct losses

Include Workers' Compensation expenses, medical and employee wages

Developed by:

Indirect losses (Hidden cost)

Production loss

Training costs/replacement worker

Loss of efficiency; lower production

Administrative time

Legal issues

Overtime wages

Equipment

Increase in Workers' Compensation premium

Additional Discussion Notes:

Final Thoughts:

Usually, as a rule, the indirect cost will far outweigh the direct cost. The indirect cost will vary depending on the accident. An example would be two accidents that involved a leg fracture. One is an open fracture, and the other is a hairline fracture. The hairline fracture will not result in as extensive care as the open fracture. Therefore, the employee should be able to return to work earlier than if they had an open fracture. In this example, both the direct and indirect costs will be different based on the severity of the fracture. To determine the total incurred cost of each accident, a cost analysis of both accidents would need to be completed.

NOTE: Always promote discussion with the attendees. If a question comes up that no one in attendance can answer, please contact OWC or the Loss Control Innovations consultants for assistance.

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References:

The hidden cost of accidents

<https://www.wcf.com/print/302>

Work-related cost

<https://injuryfacts.nsc.org/work/costs/work-injury-costs/>

Home and work accident costs

<https://injuryfacts.nsc.org/home-and-community/home-and-community-overview/introduction/>

Cost of home and work accidents

<https://injuryfacts.nsc.org/all-injuries/costs/societal-costs/>